


**HOUSING COUNSELING SERIES, PART 1: Offering SHIP Housing Education and Counseling**

Sponsored by the Florida Housing Finance Corporation's Catalyst Program

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Florida Housing Coalition



**Catalyst Training Schedule**



The Coalition is Florida's affordable housing training and technical assistance provider.

[www.flhousing.org](http://www.flhousing.org)



**Our Thanks to the Florida Housing Catalyst Program**

**AFFORDABLE HOUSING CATALYST PROGRAM**

Sponsored by the Florida Housing Finance Corporation




**Request a Site Visit on Housing Counseling assistance or more**



- Call (800) 677-4548
- Up to 6 hours of training in your office
- Discuss new and existing strategies
- Review of Files, Staffing, Procedures




**Webinar Series**

- Webinar 2: Successfully Administering Counseling Assistance
- March 5, 2018 at 3:00 pm
- Register at:  
<https://attendee.gotowebinar.com/register/5955445742637398018>





**Two Audiences for Today's Webinar**

- SHIP staff learning about counseling
- Counseling agencies learning about SHIP




**About Housing Education and Counseling**

**WHY?** Benefits of Pre-Purchase Counseling

There is evidence that pre-purchase counseling reduces the rate of first-time buyer delinquency by **29%**.


SOURCE: Peter Zorn analysis of 38,000 Freddie Mac mortgages, 2000 to 2008.



**Pre-Purchase Counseling Works**

What is the dollar benefit of this delinquency rate reduction?

- \$400 per loan
- \$800 per loan
- \$1000 per loan



### Dollar benefit of Delinquency Rate Reduction

**Answer:** Estimated dollar benefit of this reduction is **\$1,000** per loan.

SOURCE: Peter Zorn analysis of 38,000 Freddie Mac mortgages, 2000 to 2008.

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### WHO?

#### Who Provides Housing Counseling?

- Nonprofits
- Some local governments
- County Extension Office
- Some are HUD Approved Counseling Agencies

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#### Criteria for HUD's Approval of a Housing Counseling Agency

**HANDOUT:** Application for Counseling Agency

- Nonprofit Status or Local Government
- Background Checks of staff and board
- Experience: providing housing counseling for at least one year
- Community Base: at least one year of service in the geographical area
- Counseling Resources: funding, staff, language skills

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#### What are the benefits of being a HUD Approved Counseling Agency?

- Quality Control
- Housing Counseling Agency presenters:
  - Carrie Vitale, Vice President Tampa Bay CDC
  - Sheila Ware, Assistant Director Panama City Community Development

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### Where?

Handout: 109 Florida HUD Approved Counseling Agencies

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#### Certification of Individual HUD Counselors

- Required by Dodd-Frank Act
- Final Rule announced December 2016
- All services of a HUD-Approved HCA must be provided by Certified Counselors
  - Deadline: 36 months after Certification exam became available (August 2017)

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### 6 Topics on the Exam

<b>Financial Management</b> 1.1 Budget 1.2 Credit 1.3 Managing Assets 1.4 Protecting Assets	<b>Housing Affordability</b> 2.1 Renting vs. Buying 2.2 Affordable Housing Options
<b>Fair Housing</b> 3.1 History and Overview 3.2 Violations and Complaints	<b>Homeownership</b> 4.1 Pre-purchase 4.2 Post-purchase
<b>Avoiding Foreclosure</b> 5.1 Avoidance Strategies and Industry Practices 5.2 Retention Options 5.3 Disposition Options	<b>Tenancy</b> 6.1 Cleaning and Maintaining Tenancy 6.2 Eviction

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#### Resources on Certification

- Prep: <https://hudhousingcounselors.com/>
- Examination is not yet posted
- Check for the latest: <https://www.hudexchange.info/programs/housing-counseling/certification/>
- Website has FAQ and Details of Exam

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### HOW?

#### How is Counseling Paid For?

- Lenders
- Foundations
- CDBG
- HUD Counseling NOFA
- SHIP


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### Topics for Pre-Purchase Education


Key Topics	Client Outcome
<b>Assessing Homeownership Readiness</b>	
Pros and cons of homeownership	Understand the benefits and responsibilities of homeownership
Overview of the home purchase process	Conduct self-assessment of homeownership readiness
Housing affordability	Calculate housing affordability
4 C's of credit	Understand how lenders determine mortgage readiness

Source: National Industry Standards for Homeownership Education & Counseling




### Standards for Education

Key Topics	Client Outcome
<b>Budgeting and Credit</b>	
Importance of goal setting	Set financial goals
Tracking expenses	Develop system to track expenses
Setting up a spending plan	Create a realistic spending plan
Budgeting and saving tips	Identify ways to reduce expenses and increase savings
Importance of good credit	Understand the importance of good credit
Understanding credit and how to protect credit ratings	
Credit bureaus, reports and scores	Order credit reports and credit scores
How to fix credit problems	Improve credit rating
Debt management tips	Reduce debt




### Standards for Education

Key Topics	Client Outcome
<b>Financing a Home</b>	
How a lender decides whether or not to lend	Understand how lenders make loan decisions
Housing affordability and qualification	Calculate housing affordability
Sources for mortgage loans	Understand where to obtain a mortgage loan
Predatory loans and how to avoid them	Avoid high-risk loans
Types of mortgage loans	Choose appropriate loan product and source
Special financing products	Understand resources available to assist with home purchase
Steps in the mortgage loan process	Understand the loan process
Loan application and approval process	
Common lending documents	Assemble documents needed for loan application




### Standards for Education

Key Topics	Client Outcome
<b>Shopping for a Home</b>	
The homebuying team	Understand the professionals involved in the homebuying process
Real estate professionals	Understand the different types of real estate professionals
Types of homes and ownership	Understand housing and titling options
How to select a home and neighborhood	Determine housing wants versus needs
How to make an offer	Understand the home purchase process
Negotiating tips	
The purchase contract	
Inspections	Understand the importance of a professional home inspection
Escrow and closing process	Understand the escrow and closing process



### Standards for Education

Key Topics	Client Outcome
<b>Maintaining a Home and Finances</b>	
How to maintain and protect a home after moving in	Understand costs associated with homeownership, including taxes, insurance, maintenance, etc.
Home safety and security	Create emergency plan
Energy efficiency	Reduce energy usage
Preventive maintenance	Create plan for routine maintenance
Home repairs and improvements	Understand the difference between repairs and improvements
Working with a contractor	Understand how to work with a contractor
Community involvement	Get involved in the community
Record keeping	Set up a record-keeping system
Taxes	Understand tax issues associated with homeownership
Insurance	Understand different insurance policies associated with homeownership
What to do if you can't make a payment	Contact lender immediately if there are financial issues
Predatory lending and other financial pitfalls	Avoid high-risk loans




## MORE TRAINING on Housing Counseling

February 20 & 22, 2018 - 2 webinars on **Housing Counseling Disaster Preparation & Recovery**

Offered by Rural Community Assistance Corp. \$25 fee to attend

<https://www.events.rcac.org/assnfe/ev.asp?ID=1222>



## Questions & Answers

Please complete Evaluation

